Columbia solar cohort

Dr. Lori Ziolkowski (Dr. Z)

University of South Carolina

Former chair of city of Columbia's Climate Protection Action Committee

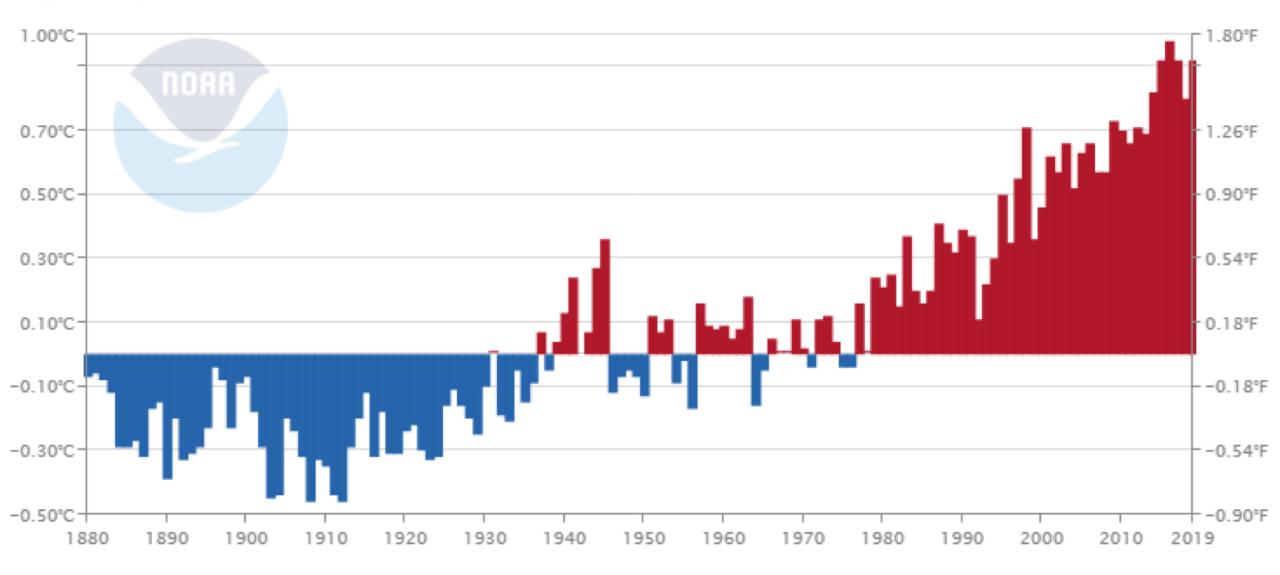
Key points:

- Why beyond the political
- Renewable procurement in SC
- Cohort training
- Columbia's progress
- Recommendations

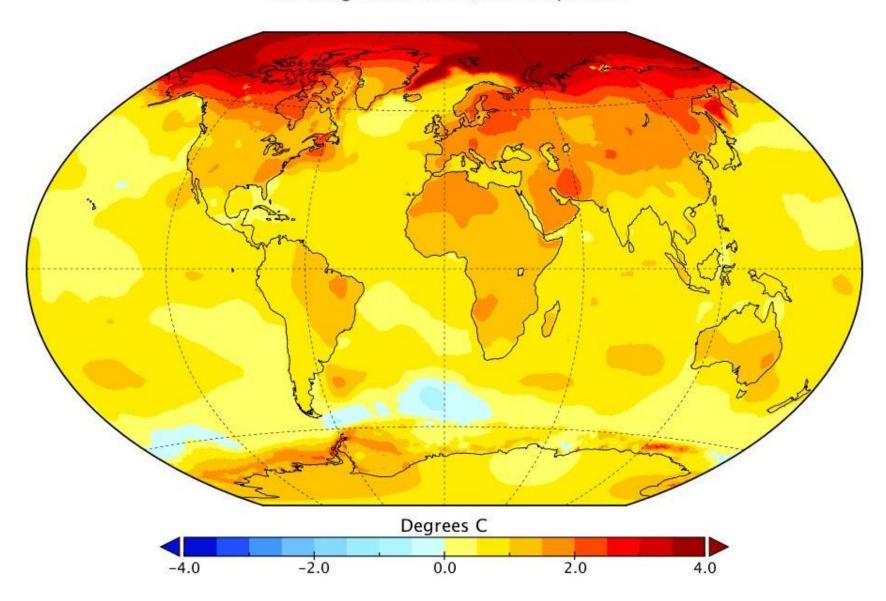


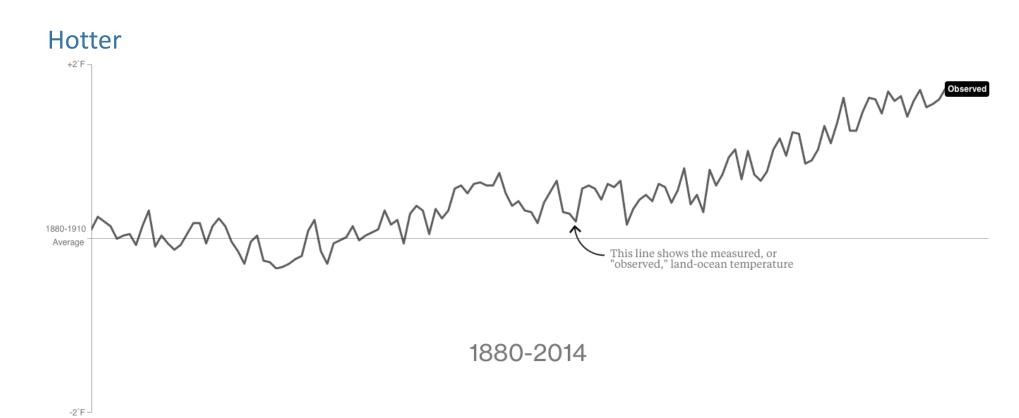
Global Land and Ocean

August Temperature Anomalies



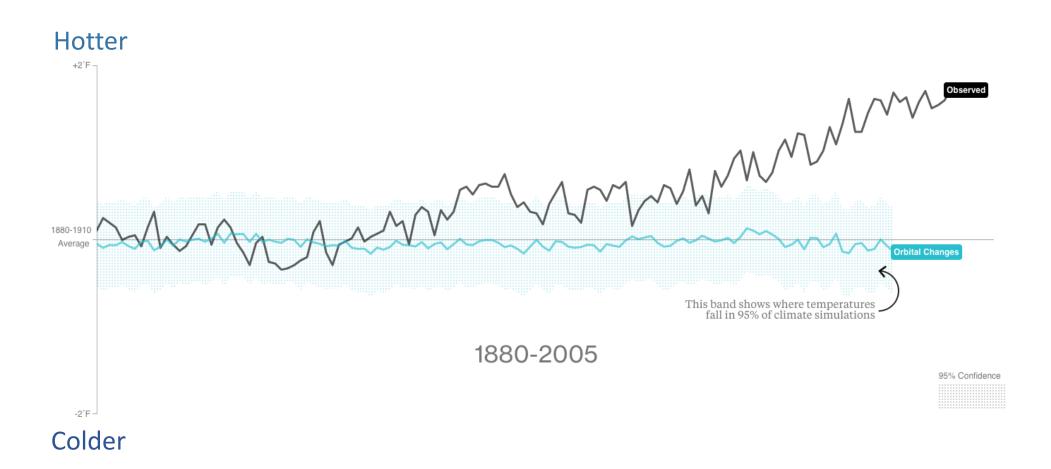
Warming since 1960, Berkeley Earth



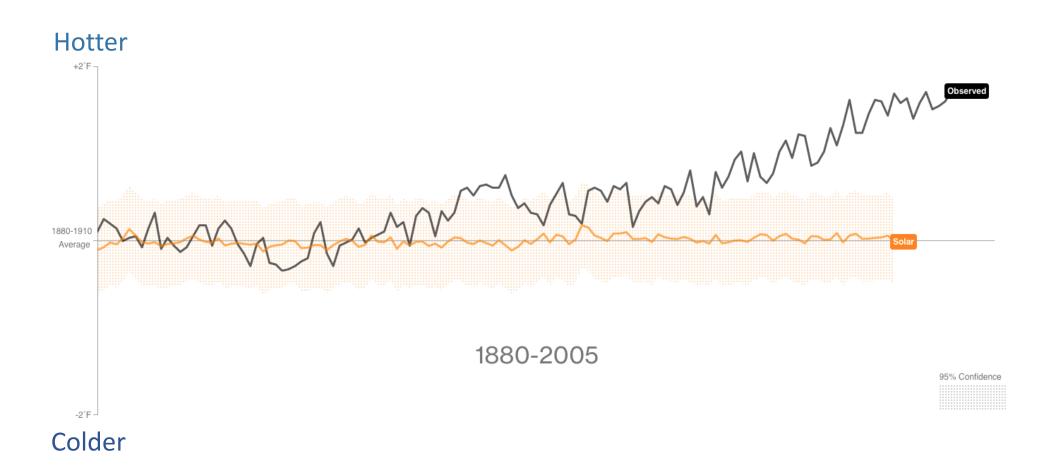


Colder

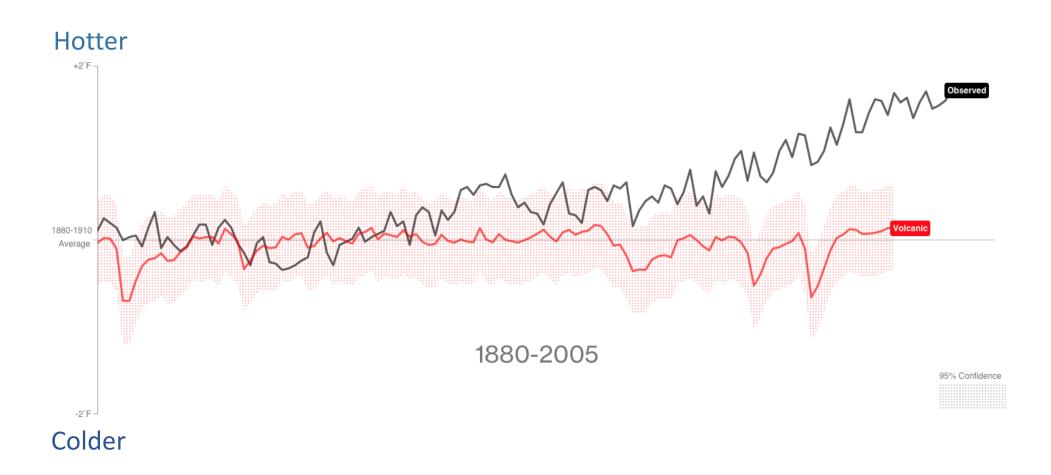
Is it the Earth's Orbit?



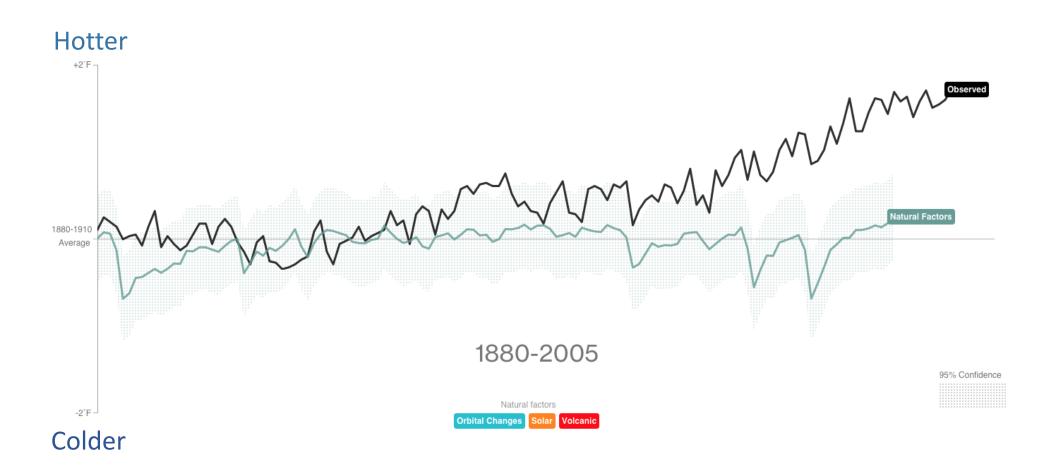
Is it the Sun?



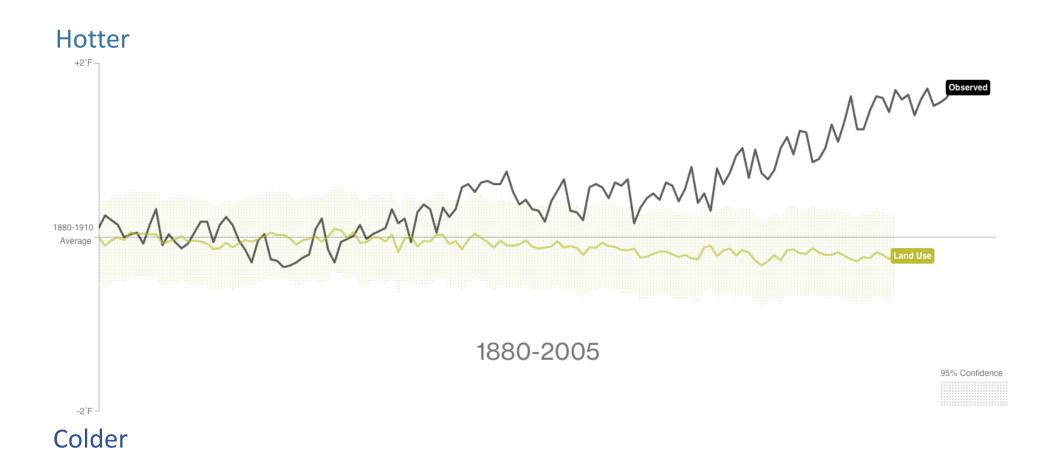
Is it Volcanoes?



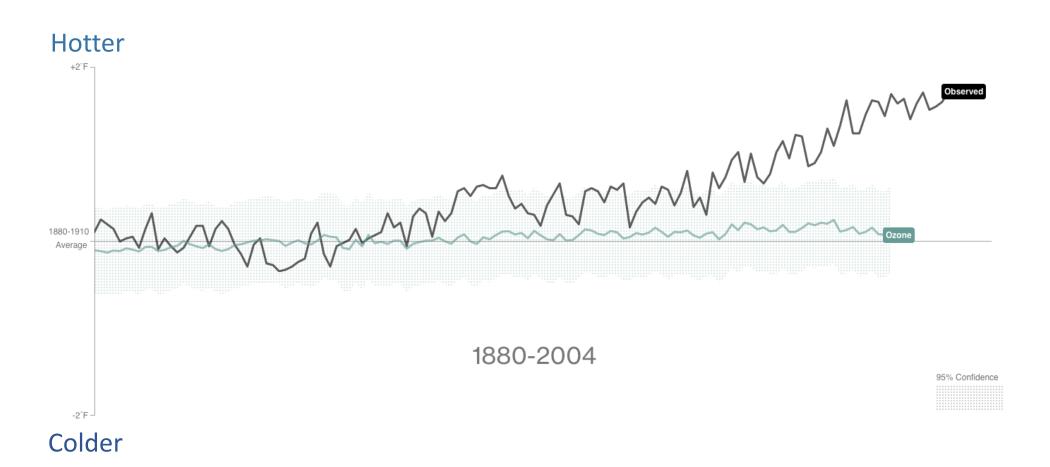
Is it just these natural factors?



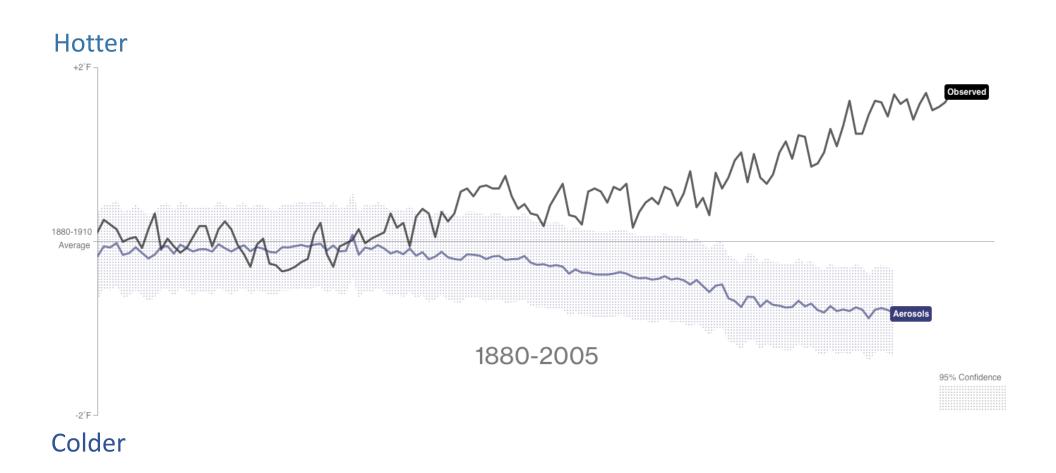
So if it's not nature, is it deforestation?



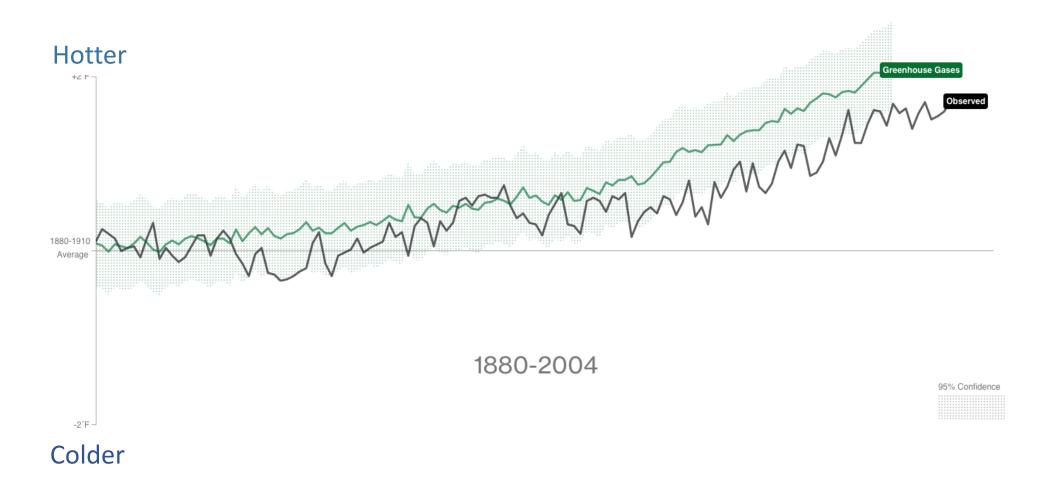
Or ozone pollution?



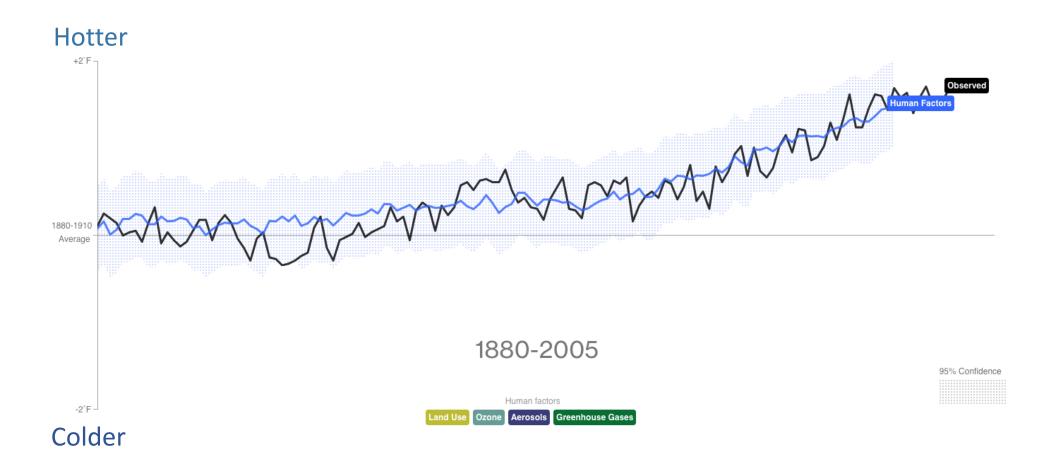
Or aerosol pollution?



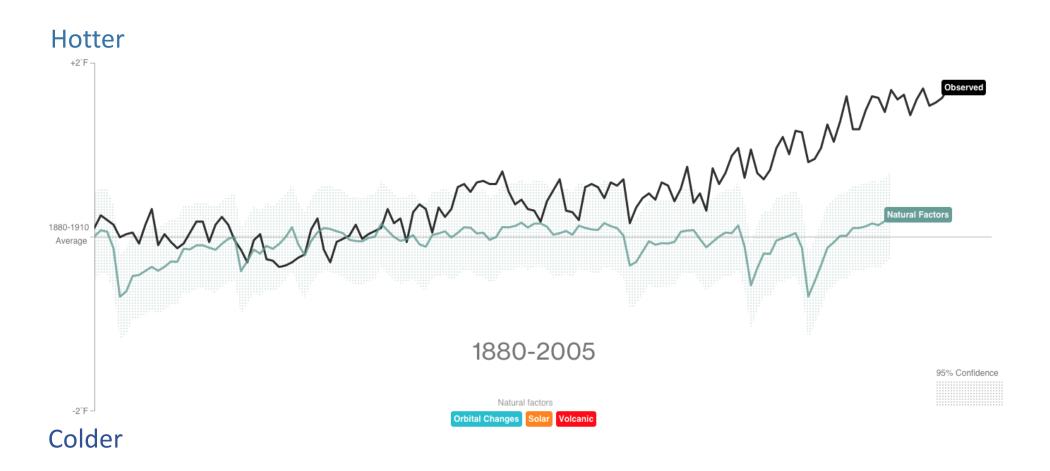
No, it really is greenhouse gases.



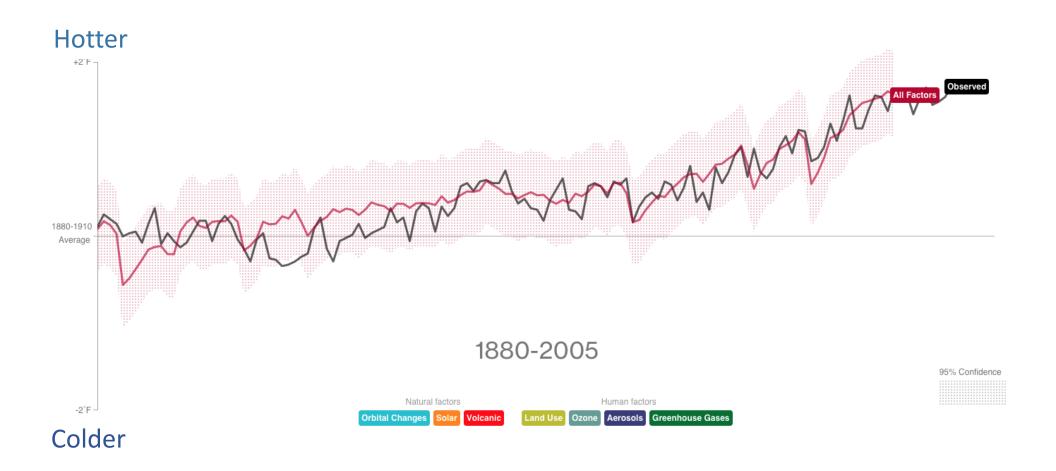
All human factors.

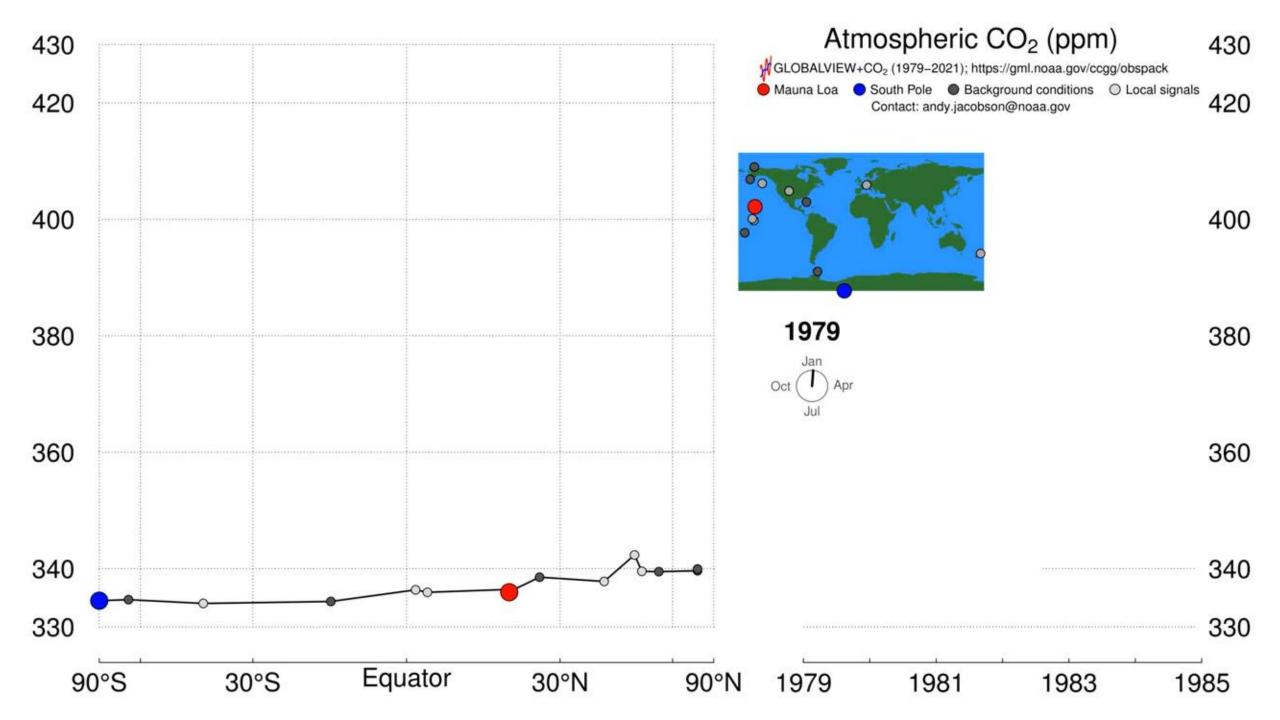


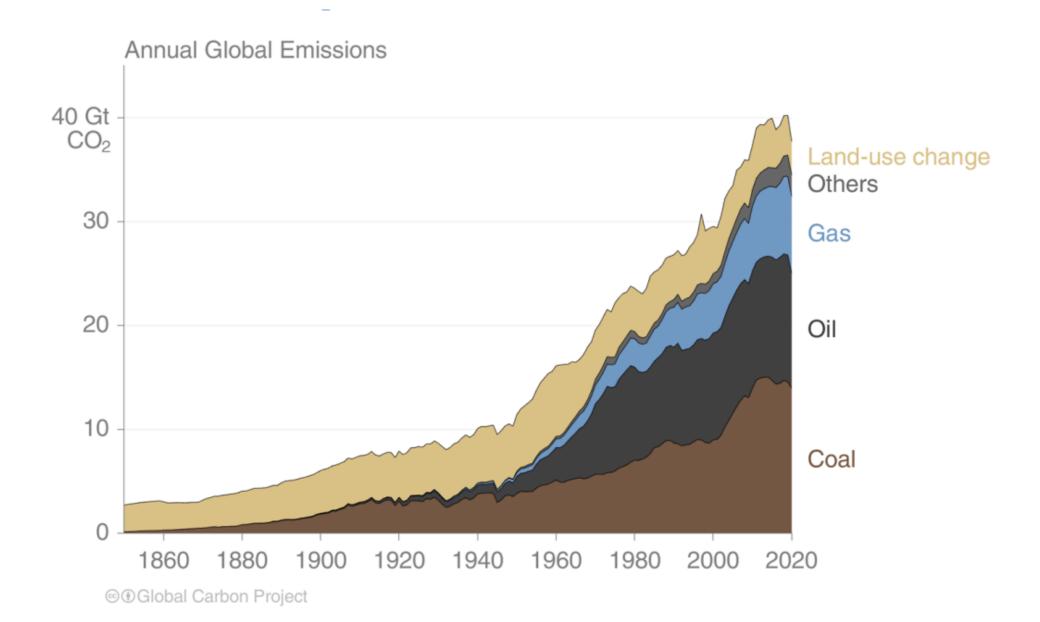
All natural factors



All factors combined

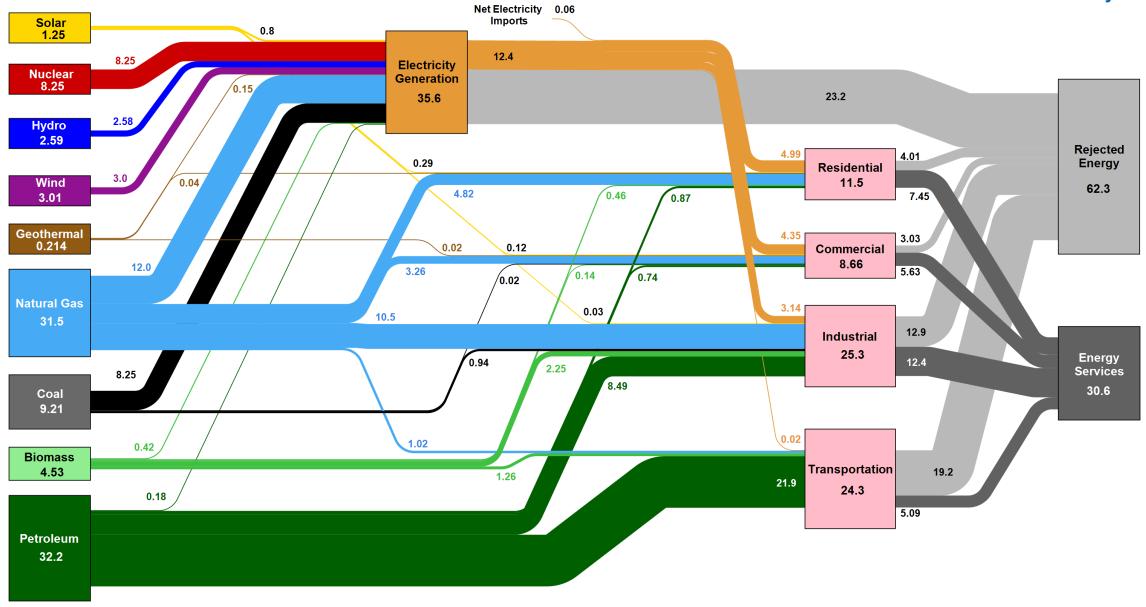




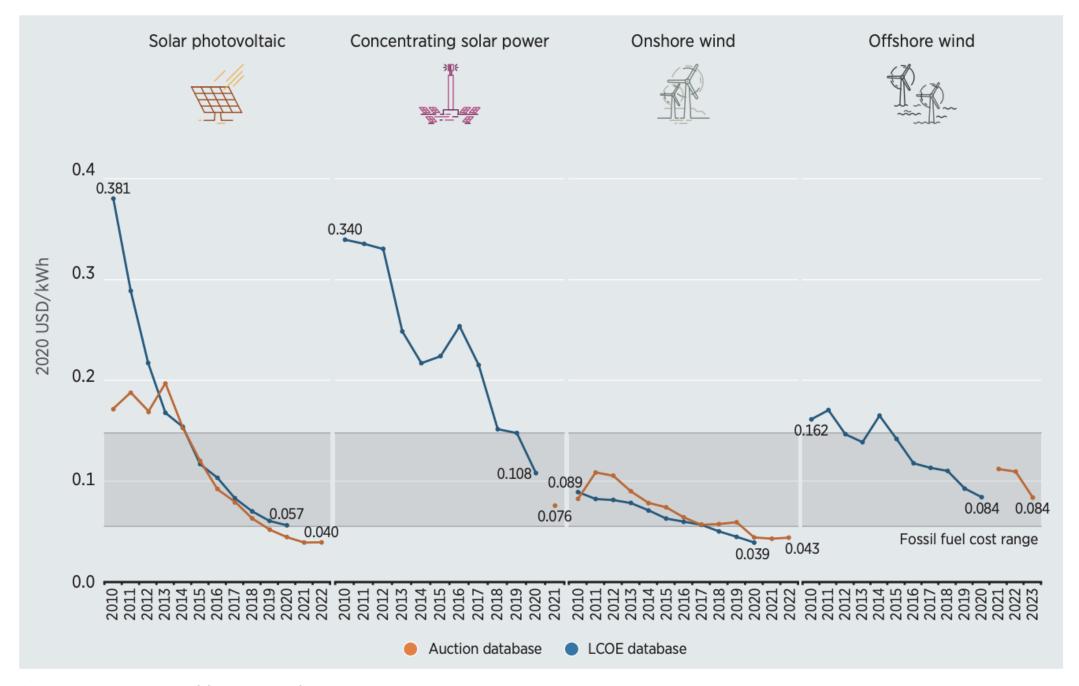


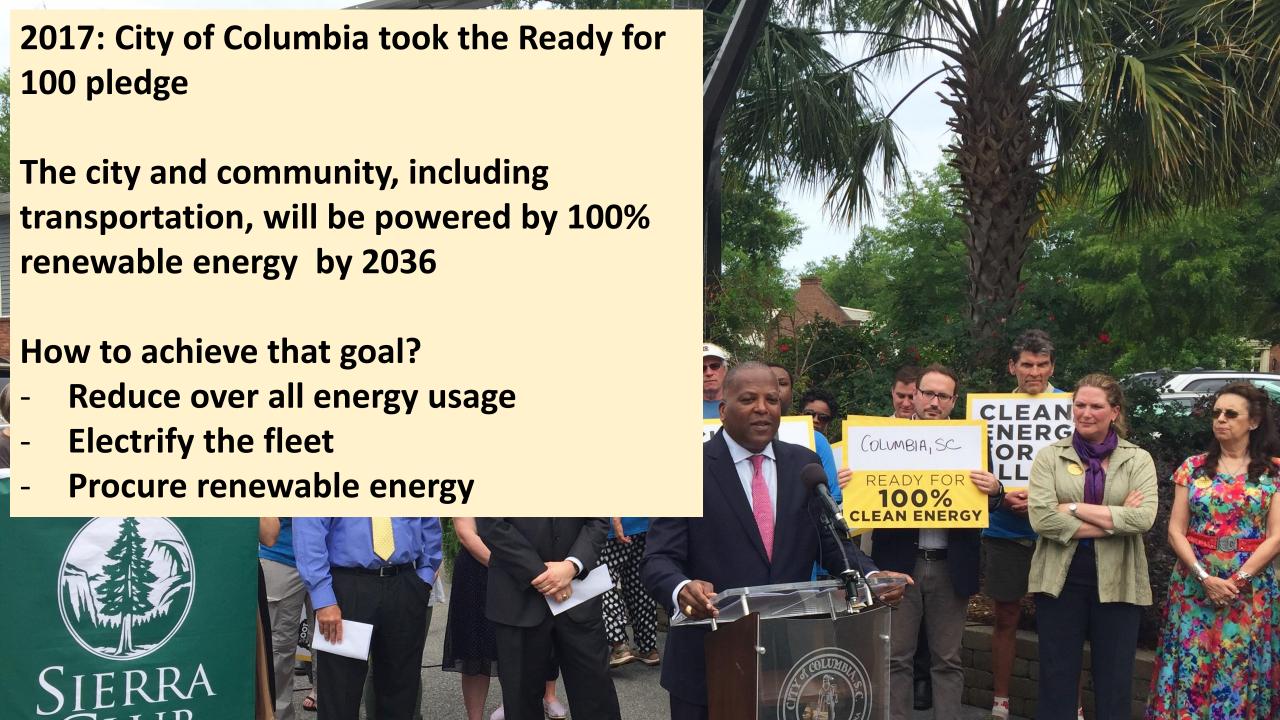
Estimated U.S. Energy Consumption in 2020: 92.9 Quads

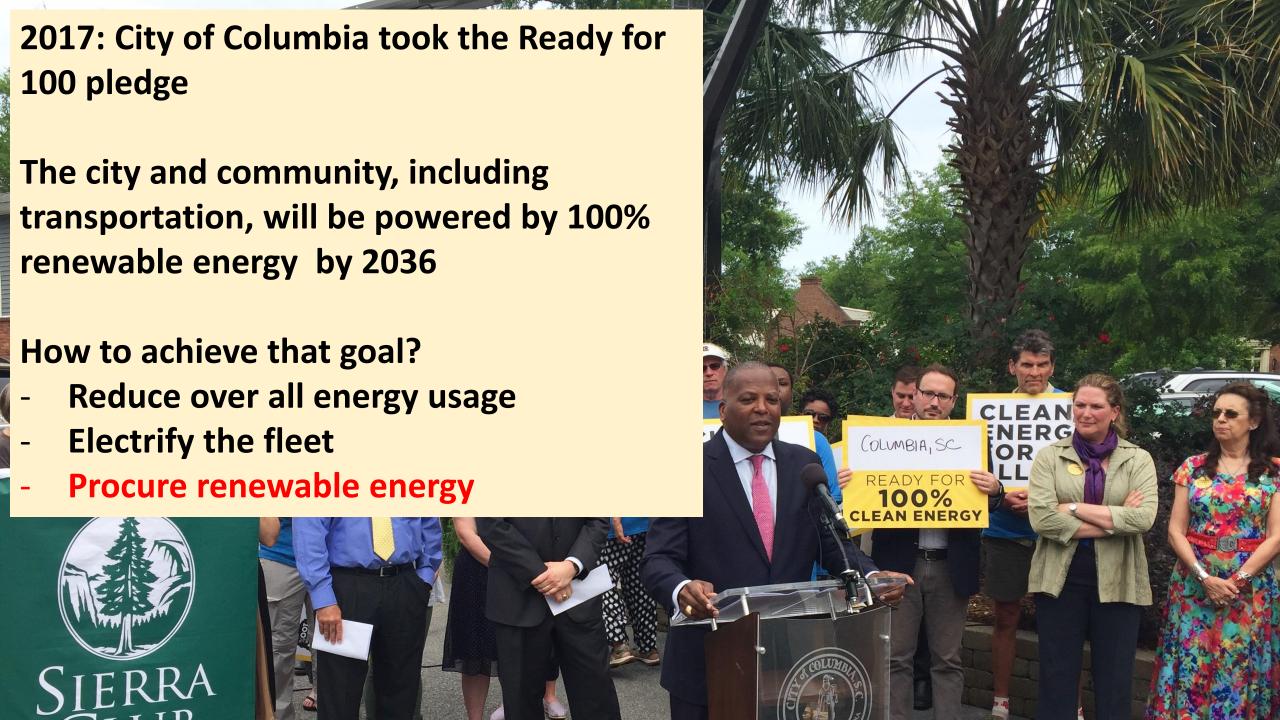


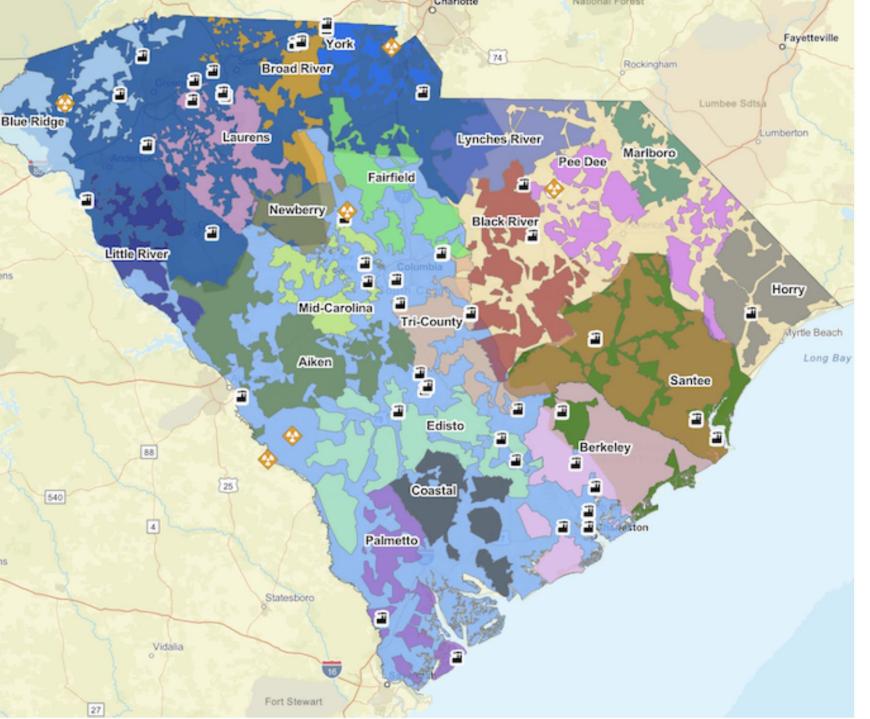


Source: LLNL March, 2021. Data is based on DOE/EIA MER (2020). If this information or a reproduction of it is used, credit must be given to the Lawrence Livermore National Laboratory and the Department of Energy, under whose auspices the work was performed. Distributed electricity represents only retail electricity sales and does not include self-generation. EIA reports consumption of renewable resources (i.e., hydro, wind, geothermal and solar) for electricity in BTU-equivalent values by assuming a typical fossil fuel plant heat rate. The efficiency of electricity production is calculated as the total retail electricity delivered divided by the primary energy input into electricity generation. End use efficiency is







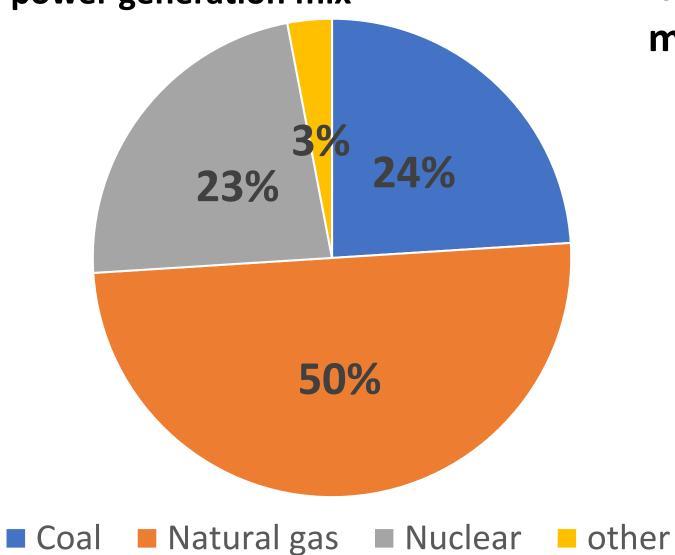


 No choice of power provider in SC

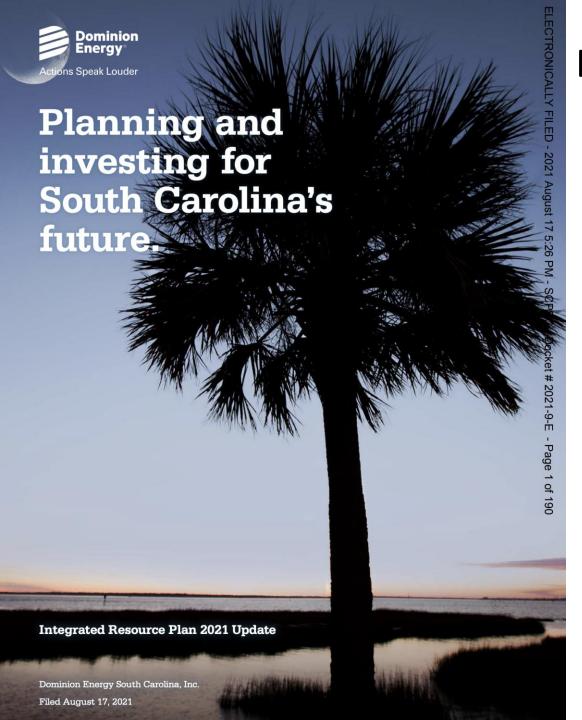
 City of Columbia is a Dominion customer

Must source renewables via Dominion

Dominion's 2019 power generation mix



Today energy from Dominion is only 24% carbon free with much less renewable



Dominion owned solar:

400 MW currently online

+50 MW per year in 2026 & 2027

+100 MW year starting in 2030

City of Columbia electricity use: 93,000 MW/yr ~ 45 MW solar

Enter the large-scale renewable cohort training program

- Free year long training via WRI and RMI





The Leon Lowenstein Foundation

Pitched the idea to city council in mid-April 2021. First meeting was May 2021.

A solid **understanding** of renewable procurement options aggregation opportunities





A **framework** for developing and running a successful aggregated procurement group

Tools and resources to support aggregated renewables procurement





A new **network** of colleagues who share common goals and challenges

Workshop #1

Building Energy & Renewables Aggregation Knowledge

Workshop #3

Identifying Legal & Accounting Risks

Workshop #5

Developing Risk Mitigation Strategies

Workshop #7

Drafting Your Request for Proposal (RFP)



Workshop #2

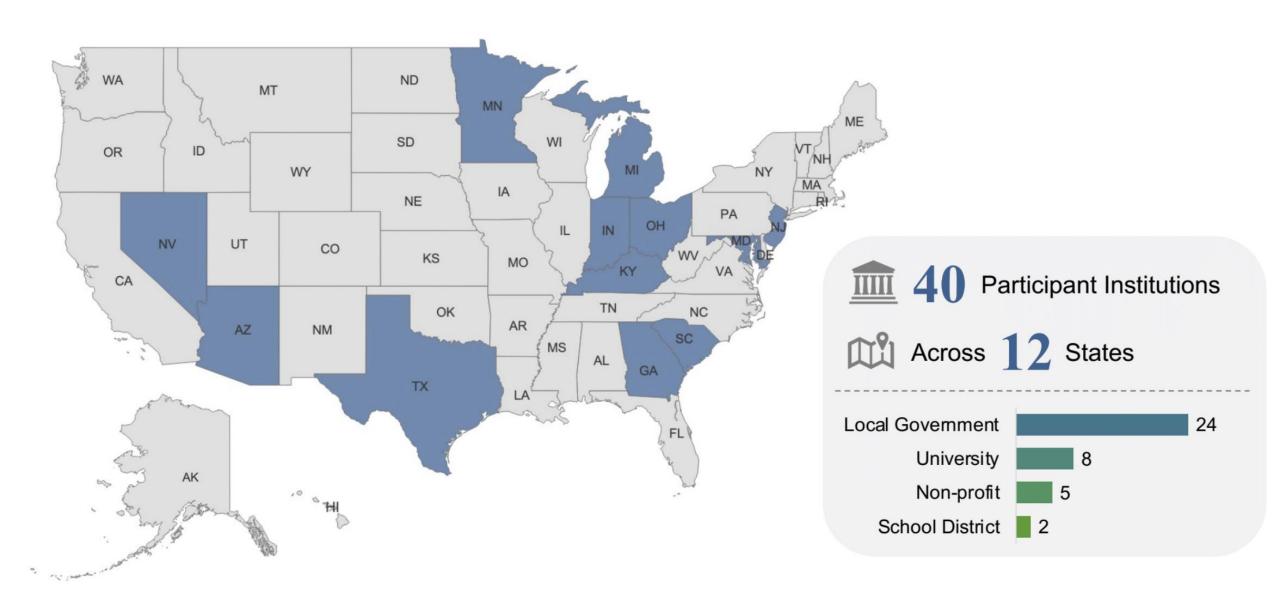
Determining Governance Structure & Managing the Group

Workshop #4

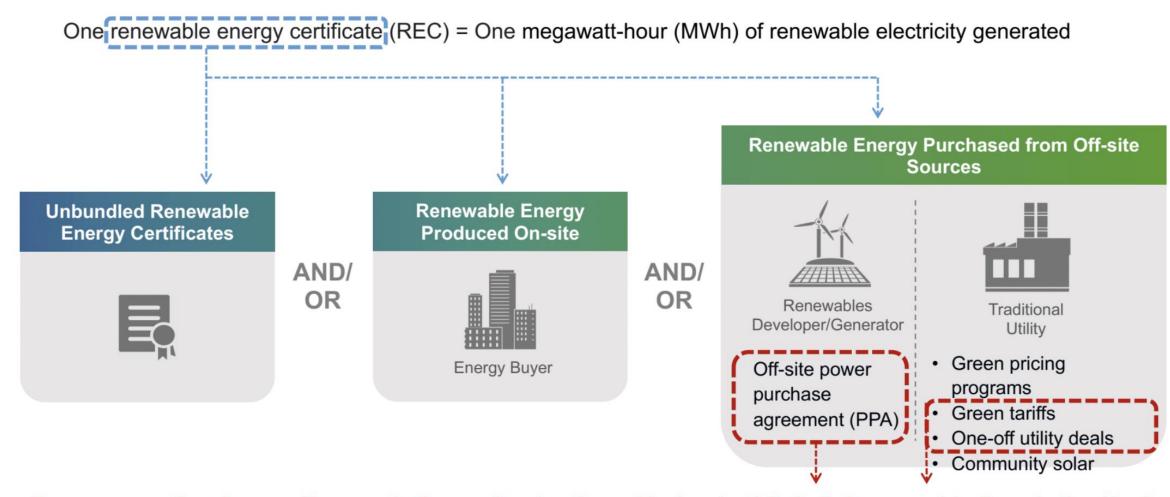
Pitching Your Project to Senior Leaders

Workshop #6

Aligning on Desired Project Details



To achieve renewables goals, organizations can buy unbundled RECs, produce clean energy on-site, and/or purchase large-scale, off-site sources



Energy aggregation: A group of buyers selecting suppliers together and buying electricity for their own municipal/organizational load

A utility green tariff allows customers to source electricity and the associated RECs from renewables resources

Utility contracts with RE generator for power + RECs, potentially with customer input on project

Electricity Provider

PSC 2019-209-E
Voluntary Renewable
Energy Program

Buyer pays alternative contracted rate for power + RECs



Renewables Generator/Developer

Three models of green tariffs:

- Physical PPA model via the utility
- Subscriber model
- · Market-based rate



Aggregating multiple buyers' load in an off-site renewable energy PPA can provide several key benefits

Larger Size and Bigger Impact

Helping local governments meet their renewable energy goal more efficiently





Access to More, Large-Scale Projects

Receiving more large-scale deal proposals we would otherwise not be able to access

Greater Economies of Scale

Leading to a lower power purchase agreement price



Benefits of Aggregation



Reduced Market Risk

Lowering or hedging market risks if contract involves multiple projects spread across several locations

Shared Expenses

Sharing resources such as external legal and consulting services





Built-in Peer Network

Entities with more experience/resources can help lead the way for others















1. Lay the
Groundwork in
Each Partner

2. Form a Procurement Group

3. Align on
Desired Project
Details

4. Start the Procurement Process

5. Run the Request for Proposal 6. Negotiate and Sign Contracts

7. Share Your Success

Step 1: Lay the groundwork in each participating organization

1. Lay the Groundwork

2. Form a Procurement Group

Align on Desired Project Details

4. Start the Procurement Process

5. Run the Request for Proposal

Negotiate and Sign Contracts

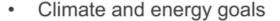
7. Share Success





- Physical or virtual PPA?
- Commercial operation date?
- Project location?
- Level of staff commitment?
- · Legal and accounting risks?





- Benefits of aggregation
- Types of contracts under consideration
- Potential partners
- · Actions needed



- Aggregation Pitch Deck Template
- Aggregation Accounting Primer
- Virtual PPA Legal Considerations
 Primer













Goal: large-scale solar development (75 to 150 MW) via private deal with Dominion

Step 1: Lay the groundwork in each participating organization

1. Lay the Groundwork

2. Form a Procurement Group

Align on Desired Project Details

4. Start the Procurement Process

5. Run the Request for Proposal

6. Negotiate and Sign Contracts

7. Share Success

Main deal points:

- Cost neutrality for customers
- Location in the Midlands area
- Maintenance of reliability
- Opportunities for community outreach and education

Other considerations:

- Jobs for local residents
- Community solar for low-income renters

Step 2: Form a procurement group

City of Columbia acting as the anchor

1. Lay the Groundwork

2. Form a Procurement Group

Align on Desired Project Details

4. Start the Procurement Process

5. Run the Request for Proposal

6. Negotiate and Sign Contracts

7. Share Success

at groups will choose different governance structures

Anchor Offtaker

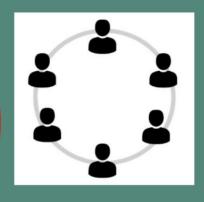


290 MW

Akamai, Etsy, Swiss



Equal Offtaker



42.5 MW

Gap Inc., Workday, Cox Enterprises, Bloomberg, Salesforce









Tiered Offtaker



 $240\,$ GWh

Baltimore Regional Cooperative Purchasing Committee and 24 other participants



Step 3: Align on desired project details

1. Lay the Groundwork

2. Form a Procurement Group

3. Align on Desired Project Details

4. Start the Procurement Process

- 5. Run the Request for Proposal
- 6. Negotiate and Sign Contracts

7. Share Success



- Procurement type
- · Resource type
- · Number of projects
- Resource location
- REC ownership
- Contract length
- · Operation start date
- Cost requirements
- Resource ownership
- Desired co-benefits







- Local job creation and economic development
- Education and training
- · Promotional opportunities
- Benefits for Indigenous Peoples
- · Social inclusion for otherwise marginalized groups
- · Inclusion of women and minority owned businesses
- Prevailing wage, union labor
- Biodiversity protection

Relevant Tools: Procurement Alignment Tool, Risk Mitigation Primer

Step 3: Align on desired project details

1. Lay the Groundwork

2. Form a Procurement Group

3. Align on Desired Project Details

4. Start the Procurement Process

Run the Request for Proposal

Negotiate and Sign Contracts

Current items for consideration:

- 75 150 MW
- 400 acres of land needed
- involvement of third-party funder / developer
- land: better as one parcel or many?
- land: cost implications if land is donated?
- land: interconnection limitations?

7. Share Success

Step 4: Start the procurement process

1. Lay the Groundwork

2. Form a Procurement Group

3. Align on Desired Project Details

4. Start the Procurement Process

- Run the Request for Proposal
- 6. Negotiate and Sign Contracts

7. Share Success



- Progress towards climate and energy goals
- Economic and social benefits
- Procurement partners
- RFP criteria and evaluation process
- Financial analysis
- Project details (even if still under consideration):
 - Project size
 - Procurement method
 - Resource type
 - Project location(s)



- Update or sign a Participant Agreement before issuing an RFP:
 - Who are involved
 - How the RFP will be managed
 - Who will select the supplier





Relevant Tools: Aggregation Pitch Deck Template

Current status of Columbia cohort:

- Need cost estimate before we can recruit more organizations or start RFP process
- Currently waiting on Dominion
 - Based on deal points, Dominion is modelling cost in 10MW increments
 - Cost neutrality is not likely according to Dominion
- To date no official MOUs, good faith negotiations

Step 5: Run the request for proposal (RFP)

1. Lay the Groundwork

2. Form a Procurement Group

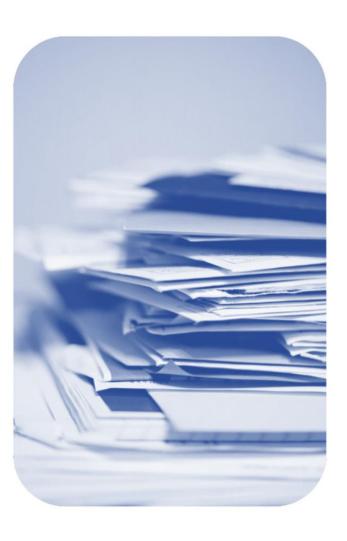
3. Align on Desired Project Details

4. Start the Procurement Process

5. Run the Request for Proposal

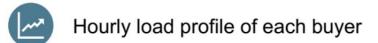
6. Negotiate and Sign Contracts

7. Share Success



Examples of information to include in a request for proposal (RFP)





A separate contract with each buyer

Description of what each buyer can customize in a template contract

RFP evaluation process and evaluation committee members

Relevant Tools:

- Off-site PPA RFP Template
- Aggregated RFP Template (forthcoming)
- Solar and Wind Off-site PPA Economic Calculator (SWOPEC)

Step 6: Negotiate contract terms, get final approval, and sign separate contracts

1. Lay the Groundwork

2. Form a Procurement Group

Align on Desired Project Details

4. Start the Procurement Process

Run the Request for Proposal

6. Negotiate and Sign Contracts

Negotiate Contract Terms

- Negotiate and sign term sheet
- Develop template contract
- Individually review the contract
- Make additional modifications if needed



- Price risk
- Volume risk
- · Construction risk
- Operational risk
- Reputational risk
- Curtailment risk
- Termination/Default risk

Final Pitch to Senior Leaders

- Benefits of the deal on your organization and community
- Updated partner information
- Governance structure
- Project type and size

7. Share Success

Step 7: Share success

1. Lay the Groundwork

2. Form a Procurement Group

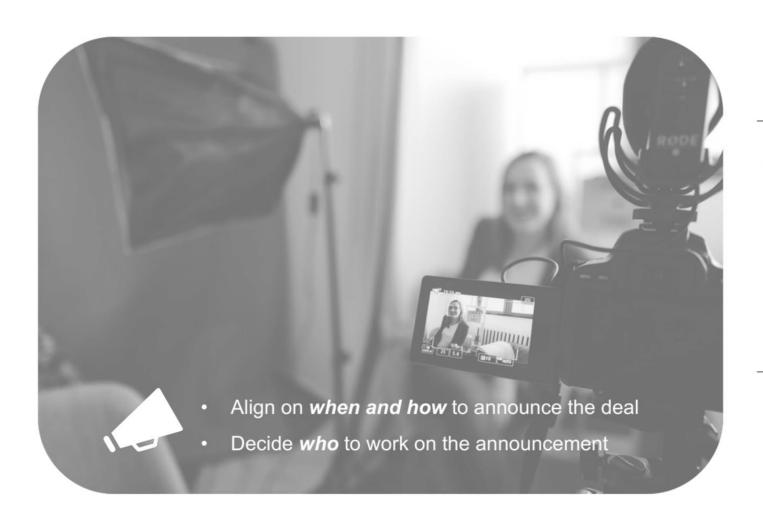
3. Align on Desired Project Details

4. Start the Procurement Process

5. Run the Request for Proposal

6. Negotiate and Sign Contracts

7. Share Success



Melbourne Example

After completing their first aggregated deal, the City of Melbourne, Australia wrote a case study about aggregated PPAs and published their RFP online to serve as an example to others.

Our cohort workshops will walk you through the seven-step procurement process



Workshop #1: Building Renewables and Aggregation Knowledge (May 2021)

Workshop #2: Determining Governance Structure & Managing the Group (June 2021)

Workshop #3: Identifying Legal & Accounting Risks (July 2021)

Workshop #4: Pitching Your Project to Senior Leaders (August 2021)

Workshop #5:

Developing Risk Mitigation Strategies (September 2021)

Workshop #6:

Aligning on Procurement Deal Terms (October-November 2021)

Workshop #7:

Drafting Your Request for Proposal (RFP) (January 2022)

Additional Check-ins and Technical Support (February-June 2022)

Benefits of this WRI / RMI training:

- Free!!
- Walks you through the issues to consider
- Draft pitch decks
- One-on-one guidance at critical points during process
- Staff are great resources
- Well paced (~1 meeting a month). Keeps you focused.

Challenges:

- A lot of details to learn
- Dominion is not as eager as the cohort to add more solar
- SLOW process!!

Benefits of a cohort:

- Develops new working relationships, which may translate to other procurement processes
- Stronger ask due to larger group

Considerations for a cohort:

- Group dynamics need buy-in, trust, and leader(s)
- Need a leader organization
- Need a project facilitator lead
- Procurement laws may restrict certain types of research

My hope?

2024: cost neutral >75 MW of solar in the Midlands will be built for this cohort

Thank you! Questions?

loriz@sc.edu

Columbia solar cohort

Dr. Lori Ziolkowski

University of South Carolina

Former chair of city of Columbia's Climate Protection Action Committee

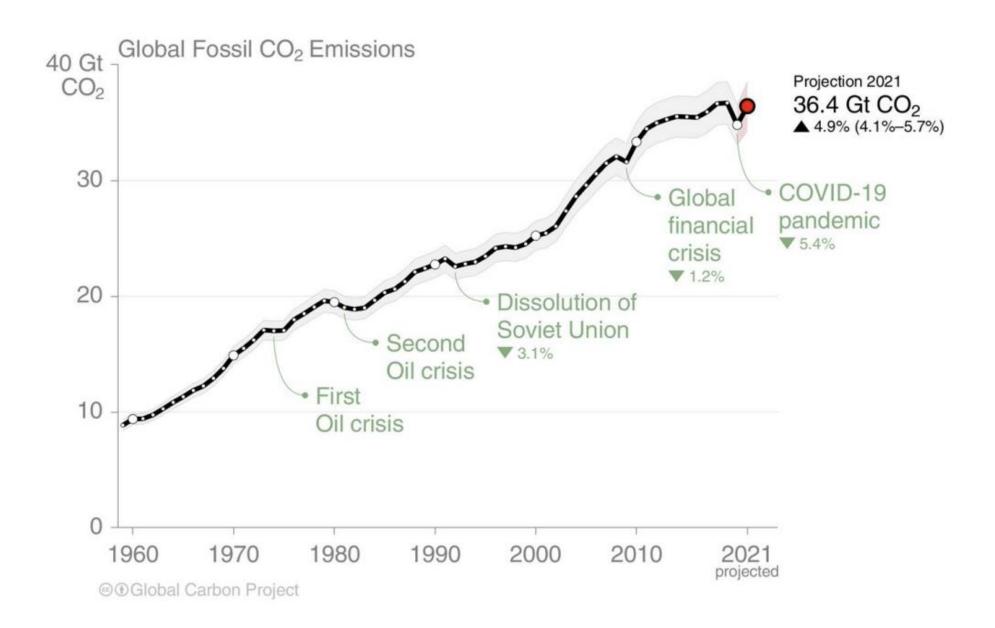


2022 Tri-Association Conference Speaker Recognition

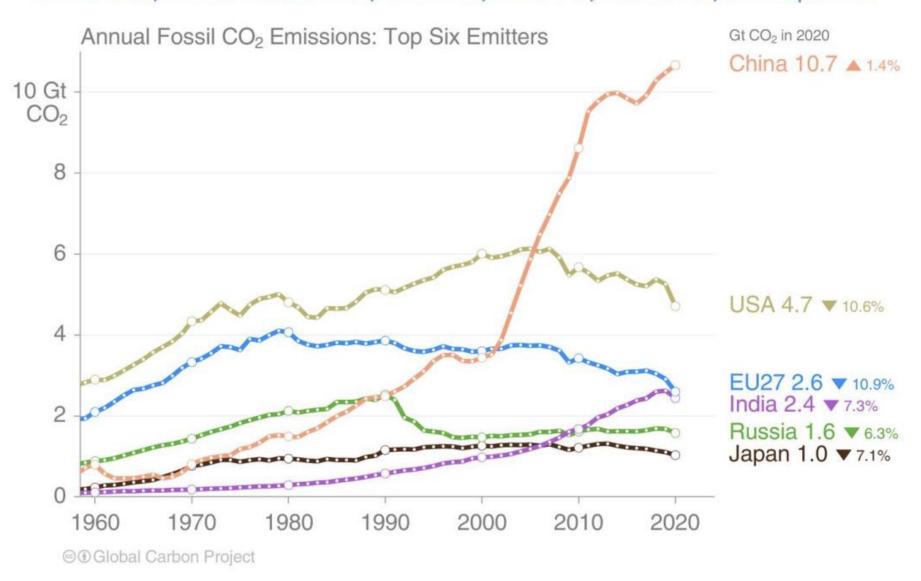
Thank You!



A donation to SC State Parks Beautiful Places Alliance has been made in your name.



The top six emitters in 2020 covered 66% of global emissions China 31%, United States 14%, EU27 7%, India 7%, Russia 5%, and Japan 3%



Countries have a broad range of per capita emissions reflecting their national circumstances

